



**HSEMD**



**FEMA**

# Disaster News

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## **BE CAREFUL WHEN HIRING CONTRACTORS FOR DISASTER REPAIRS**

**DES MOINES** — Watch out for scam artists. That is the warning issued by officials of the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA), the Iowa Attorney General's Office, and the Iowa Homeland Security and Emergency Management Division (HSEMD).

"Unfortunately in disaster situations, scam artists are often ready to take advantage of the misfortunes of others," said William L. Vogel, FEMA federal coordinating officer for the severe storms, tornadoes, and flooding disaster declared May 27. "People should be especially alert for phone or door-to-door solicitors who hand out flyers and promise to speed up the insurance or building permit process, and those who ask for large cash deposits or advance payments in full."

"Whether they are architectural, engineering, electrical, or general contractors, most service providers in the building industry are honest," Vogel said, "but disasters attract scam artists. Some claim to be 'FEMA certified,' when in fact, FEMA neither certifies nor endorses any business for repairs."

Iowa Attorney General Tom Miller said: "When con-artists try to cheat disaster victims, it is the definition of adding insult to injury. We've had only a few problems in past disasters in Iowa, but it is very important for consumers to be on alert and careful not to be cheated."

Allegations of fraud should be directed to the Consumer Protection Division of the Iowa Attorney General's Office, 1-888-777-4590 from 8 a.m. to 4:30 p.m. Monday through Friday. Consumers also may file a complaint online — and get more consumer tips and information — at [www.IowaAttorneyGeneral.org](http://www.IowaAttorneyGeneral.org). Complaints may also be directed to FEMA's Inspector General's Office at 1-800-323-8603 and to local law enforcement agencies.

Tips for hiring contractors include:

- **Get a written estimate.** Compare services and prices before making a final decision. Also, read the fine print. Some contractors charge a fee for a written estimate, which is often applied to the cost of subsequent repairs they make.

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- **Check references.** Contractors should be willing to provide names of previous customers. Call several former customers who had similar work done to make sure they were satisfied with the job.
- **Use a reliable, licensed contractor, and check out a contractor before you sign a contract or pay any money.** Check if the contractor is registered with the Iowa Labor Services Division (800-562-4692, or 515-242-5871.) See if the Attorney General's Office (888-777-4590) or the Better Business Bureau (515) 243-8137, and Toll Free: 1-800-222-1600 has any complaints.
- **Ask for proof of insurance.** Make sure the contractor carries general liability insurance and workers' compensation. If the contractor is not insured, the homeowner may be liable for accidents that occur on the property.
- **Insist on a written contract.** A complete contract should clearly state all tasks to be performed, all associated costs and the payment schedule. Never sign a blank contract or one with blank spaces. Make sure the contract clearly states who will apply for the necessary permits or licenses. Have a lawyer review the contract if substantial costs are involved, and keep a copy for your records.
- **Get guarantees in writing.** Any guarantees made by the contractor should be written into the contract. The guarantee should clearly state what is guaranteed, who is responsible for the guarantee and how long the guarantee is valid.
- **Obtain a local building permit, if required.** Permits may be required for site work, other than demolition, and for reconstruction. Contact your local government for permit information.
- **Make final payments when the work is completed.** Do not sign completion papers or make the final payment until the work is completed to your satisfaction. A reputable contractor will not threaten you or pressure you to sign if the job is not finished properly.
- **Pay by credit card, if possible, or by check.** Avoid on-the-spot cash payments. The safest route is to use a credit card, if at all possible. A reasonable down payment is 30 percent of the total cost of the project, to be paid upon initial delivery of materials. State and Federal law gives consumers a three-day "cooling off" period for unsolicited door-to-door sales of more than \$25. This includes contracts signed at your home.
- **If necessary, cancel a contract in the proper manner.** This should be done within three business days of signing. Be sure to follow the procedures for cancellation that are set out in the contract. Send the notification by registered mail with a return receipt to be signed by the contractor.
- **Report problems with a contractor or fraud to local authorities or the Consumer Protection Division of the Iowa Attorney General's Office – 888-777-4590, Monday-Friday, 8 a.m. to 4:30 p.m.**

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Consumers should also be aware that some rip-off artists may pretend to be employed by FEMA or other agencies. Some traits of scams or con artists can include:

- **Lack of proper identification** – A FEMA or Small Business Administration (SBA) shirt or jacket is not absolute proof of someone's affiliation with an agency. Ask to see the laminated photo identification card; if they don't have it, they are probably not for real.
- **Going door-to-door** – Persons going door-to-door to damaged homes, or phoning victims and claiming to be building contractors, could be frauds. If callers solicit personal information such as Social Security or bank account numbers, they are not for real. FEMA inspectors may come to your neighborhood but all FEMA inspectors will have proper, laminated, photo identification. Remember, FEMA and SBA inspectors never charge applicants for disaster assistance or for inspections. If in doubt, do not give out information.
- **Charging fees to be put on a list or fees to have forms filled out** – Some scammers have asked for upfront money to be put on a list or demanded fees to fill out the disaster loan application.
- **Offers to increase the amount of your disaster damage assessment** – This is not wise and is a sure sign of a scam.
- **Asking for cash upfront** – Under no circumstances are FEMA and other agency representatives allowed to accept money. FEMA inspectors assess damage but do not hire or endorse specific contractors.

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*FEMA coordinates the federal government's role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.*

*SBA is the federal government's primary source of money for the long-term rebuilding of disaster-damaged private property. SBA helps homeowners, renters, businesses of all sizes, and private non-profit organizations fund repairs or rebuilding efforts, and cover the cost of replacing lost or disaster-damaged personal property. These disaster loans cover uninsured and uncompensated losses and do not duplicate benefits of other agencies or organizations. For information about SBA programs, applicants may call 800-659-2955 (TTY 800-877-8339).*

*Disaster recovery assistance is available without regard to race, color, sex, religion, nationality, age, disability, English proficiency, economic status, or retaliation. If you or someone you know has been discriminated against, call FEMA toll-free at 800-621-FEMA (3362). For TTY Call 800-462-7585.*

*Editors:* More information about the Iowa disaster is available online at [www.fema.gov](http://www.fema.gov) or [www.Iowahomelandsecurity.org](http://www.Iowahomelandsecurity.org)